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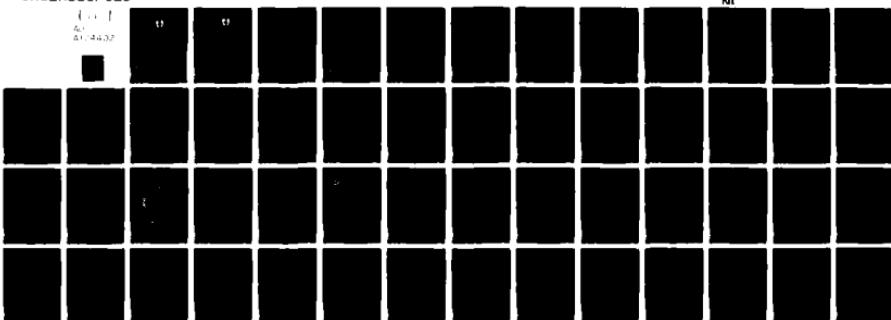
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DSMC FIVE-YEAR PLAN FY 1979-1983. (U)
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DSMC FIVE-YEAR PLAN
FY 1979-1983

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As Approved by the Policy Guidance Council
on
14 December 1977

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Updated plan FY 1980-1984 is in DSD
for approval. Policy Guidance Council
members are the approving authority as the
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JO Mally
Prog. Dir. Office
USMC

DEFENSE SYSTEMS MANAGEMENT COLLEGE
Fort Belvoir, Virginia

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DSMC FIVE-YEAR PLAN
FY 1979-1983

Approved by the Policy Guidance Council

⑪ on
14 December 1977

William J. Perry

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⑩ WILLIAM J. PERRY
Under Secretary of Defense (Research & Engineering)
Chairman, DSMC Policy Guidance Council

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Freedom of Information Act.

DEFENSE SYSTEMS MANAGEMENT COLLEGE
Fort Belvoir, Virginia

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FOREWORD

This is the first DSMC Five-Year Plan prepared during my term as Commandant. I believe that it conveys a realistic and practical approach to satisfying the educational needs of our customers in the area of program management and systems acquisition management.

During my first months as DSMC Commandant, I have directed a faculty and staff review of the Program Management Course (PMC) curricula as well as a review of the short course offerings. These reviews have been conducted against the requirements and changing needs in the military departments in relation to the modifications, or proposed modifications, of acquisition policy by the Office of the Secretary of Defense.

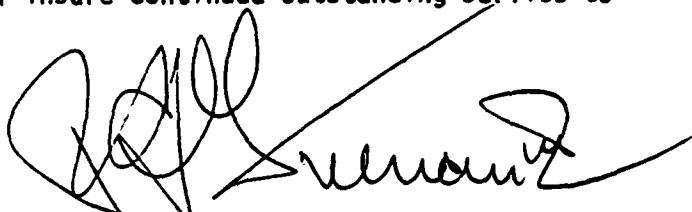
One objective of the PMC review was to insure that a proper balance is maintained between "functional" education and "applications" education and, along with this balance, to insure a thorough integration of the "functions" and "applications" has been achieved. The results of this review indicate that there is a need to completely revise the systems management laboratory cases as well as a need to increase the number of cases in the functional courses. Also, it is apparent that a substantial increase in contact hours is necessary to accommodate specific modules of study not currently presented at the college, but which are becoming increasingly important to the acquisition management community. The details of the changes that will be taking place are set forth in this Five-Year Plan.

The results of the review of the short courses discloses that there is a need for additional short courses to accommodate a variety of customer requirements. While the need for further short course development is increasing, rather than decreasing, the total enrollment goals of the Program Management Course may not be achieved in the current stringent budget environment. The slack in enrollment in the long course will be more than offset by the short course enrollment. Our new and changed courses of study, schedules of course offerings and projected enrollment are discussed in some detail in Section 2 of this plan.

When I came to DSMC, the organizational structure did not recognize adequately the mission requirements as set forth in the charter and it did not provide the college with an organization for the future. Therefore, I directed a restructuring which I believe will enable us to more efficiently and effectively achieve our stated mission and objectives. Details of this restructuring of the organization are set forth in Section 3 of the plan. It is anticipated that there will be further changes in the organizational structure as we continue to meet the changing customer needs.

Section 4 of the plan describes the resources required by the DSMC to carry out its educational program. Some of the goals set forth are ambitious, but they can be met. I believe that the plan, as presented for approval of the Policy Guidance Council, is realistic and achievable. It will enable DSMC to continue to provide an outstanding acquisition management education for those involved in this complex process.

The reputation of the college is excellent. The modifications to our current curricula and DSMC Policy Guidance Council adoption of the plans that are enunciated here will insure continued outstanding service to our customers.



R. G. FREEMAN III
Rear Admiral, USN
Commandant

Defense Systems Management College
Fort Belvoir, Virginia
15 November 1977

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1.0 INTRODUCTION

1.1 MISSION

The mission of the Defense Systems Management College is set forth in the DOD Directive 5160.55 (Annex A). It is to:

- Conduct advanced courses of study that will prepare selected military officers and civilian personnel for (a) assignments in program management career fields, and (b) coping with various facets of defense system acquisition management. This is the primary mission of the college.
- Conduct research or special studies in defense program management and defense system acquisition management concepts and methods.
- Assemble and disseminate information concerning new policies, methods, and practices in program management and defense system acquisition management.

1.2 OBJECTIVES

1.2.1 LONG RANGE

The primary objective of DSMC is to promote excellence and efficiency in the management of defense system programs and the system acquisition process by providing eminently well-qualified graduates to serve in positions of responsibility within the material acquisition field.

The secondary objectives of DSMC are to:

- Conduct research and special studies in program management and defense system acquisition management concepts and methods as requested by the Office of Secretary of Defense, the military departments, and, in support of the Federal Procurement Institute, other federal agencies.
- Assemble and disseminate material concerning new policies, methods and practices in program management and defense system acquisition management.
- As directed, provide course materials and instruction in acquisition management for selected persons from federal agencies outside the Department of Defense.

1.2.2 SHORT RANGE

The DSMC short range objectives are to:

- Maintain the academic excellence of the DSMC course offerings during the facility renovation period from January 1978 through the late spring of 1979.
- Acquire the resources and initiate a progressive research and special studies program tied to the needs of the systems acquisition management community.
- Improve the quality of instruction--recognizing this entails providing the staff and faculty with opportunities for professional development.
- Introduce new acquisition management policy initiatives into the curricula in a timely manner, always using a practical approach.
- Establish and maintain open lines of communication with the Federal Procurement Institute and federal agencies outside the Department of Defense on system acquisition management education and, without affecting the schedule and quality of the courses presently offered by DSMC, plan and schedule new course offerings for personnel from other federal agencies.
- Complete realignment of present DSMC organizational structure in order to more efficiently accomplish the DSMC goals and missions.

1.3 PLAN

1.3.1 GENERAL

The DSMC Five-Year Plan is submitted to the Policy Guidance Council for approval at its annual meeting in December. Upon receipt of such approval, the plan will be implemented through the budget process and assignments made by the Commandant to each major element of the DSMC organization. Progress relative to implementation of the plan will be measured, evaluated and reported to the Commandant on a quarterly basis by the Department of Plans and Curriculum Development at DSMC.

The Plan as set forth in this document, describes the DSMC mission and objectives and the proposed method for achieving them. The plan also describes the organization being developed to accomplish the objectives and delineates the resources that will be required to carry on the effort.

DSMC courses are scheduled and numbered on a calendar year basis; however, resources--personnel, facilities, and funding--are planned on the basis of the Federal Fiscal Year. Accordingly, the plan is always based upon the fiscal years--in this case, FY 1979 through FY 1983.

1.3.2 PLAN BASELINE

In January 1975, the Policy Guidance Council approved a progressive increase in enrollment in the Program Management Course from 60 to 120 students.

In January 1976, the Council approved sustained Program Management Course student enrollment at approximately 120 students per class from CY 76 through CY 78, and authorized major increases in enrollment in the short courses.

In December 1976, the Council approved an OMA budget of \$2,016K, an RDT&E budget of \$100,000; the facility renovation plans; and a personnel strength of 106 for FY 78. At that time, the Council also approved an enrollment in the Program Management Course of 120 students in PMC 79-1, 160 students in PMC 79-2, and 200 students in each class beginning with PMC 80-1.

This DSMC Five-Year Plan for FY 79-83 is based upon these approvals as adjusted by actual personnel strengths and expenditures.

1.3.3 PLAN IMPLEMENTATION

The plan, as modified and approved by the DSMC Policy Guidance Council at its 14 December 1977 meeting, will be implemented by DSMC management.

2.0 DSMC OPERATIONS

The three-fold mission of the DSMC, as delineated in Section 1.1, is basically to provide education, to conduct research and special studies and to disseminate information in program management and system acquisition management. Plans for the accomplishment of this mission follow.

2.1 EDUCATION

2.1.1 COURSE OFFERINGS

The curricula of the DSMC are uniquely designed to further the professional development of selected military officers and civilian personnel in the field of defense system acquisition management. DSMC will continue to serve the needs of the Office of the Secretary of Defense and the military departments while expanding to meet the needs of other federal agencies. The challenge is to provide each student with an adequate knowledge of the acquisition process and the necessary tools for managing--planning, organizing, directing, controlling and evaluating progress/results--a program when called upon to do so in a real-world environment.

The DSMC will continue to meet the needs of the using organizations by scheduling an appropriate number of sessions of each course either at DSMC or an off-campus location. The content of each course, method of presentation and frequency of offering will be reviewed on a continuing basis by DSMC management. Formal reviews of the curricula will be conducted semiannually by the DSMC Curriculum Committee. A change in course content or emphasis will be made when the Curriculum Committee deems it appropriate.

A summary of scheduled course offerings is shown in Annex B, page B-1. It includes 3 courses not previously offered by the DSMC, namely: the Life Cycle Cost Course, the Multinational Program Management Seminar and the Major System Acquisitions Policy Implementation Seminar. The Life Cycle Cost Course is planned for initial presentation in March 1978 and the Multinational Program Management Seminars are planned for initial presentation in May 1978. The Major Systems Acquisition Seminars, based on implementation of DOD Directives 5000.1 and 5000.2, will be presented initially early in 1978.

The 1978 academic calendar is provided in Annex B, pages B-2 and B-3. A description of the various course offerings follows.

2.1.1.1 Program Management Course (PMC)

This 138-day professional education course for selected military officers and career civilians will educate students in effective program management in the Department of Defense systems acquisition management environment. The course will prepare students for program manager and intermediate management positions in program offices, supporting functional offices, or higher echelon offices involved in managing weapons systems acquisition. The DSMC objective is to produce graduates who have a thorough knowledge of the entire acquisition management process rather than just a segment of it.

Students will be educated in a broad spectrum of program management through study, instruction and discussion of program management fundamentals, policy, philosophy and practice as well as current systems acquisition management issues, management tools, functional disciplines, and specialties useful in program management. Realistic case studies will be presented in a systems management laboratory. Additional cases will be presented in the classroom. In the presentation of these cases, the instructors will request assistance by PMC students who have demonstrated expertise in the areas being covered. Methods for finding, defining and coping with program management issues and problems will be presented in the classroom as well as in the systems management laboratory. A close relationship will be maintained between issues and problems that are encountered on current military programs and those discussed in the classroom and management laboratory cases.

Beginning with PMC 78-1, there will be a shift in emphasis in the classroom to more practical applications of management tools and functional disciplines, as well as to increased use of analytical methods available to assist in problem-solving and decision-making.

- Some of the management areas that will receive increased emphasize are: ethics/integrity; life cycle costing; software acquisition and management; and manpower and training requirements for fielded systems.
- Additional instruction will be provided in the following areas: reading improvement; technology base; technological forecasting; Mission Element Needs Statement (MENS); small systems management; joint program management; multinational program management; civilian personnel management; and briefing techniques. The Individual Study Program (ISP) has been discontinued to provide time for adequate coverage of the items mentioned above.
- New instruction will be given on point paper preparation and the conduct of studies.

The case studies in the management laboratory (Annex C) will simulate the real-life program management environment where the students in the Program Management Course can apply the lessons learned in the classroom. The basic objectives of the systems management laboratory will be to:

- Simulate the life cycle in the acquisition of a large weapon system which contains both a medium-size and a small-size system within its final assembly.
- Focus on key acquisition management decisions.
- Assist in the understanding of the interrelationships of functional specialties throughout each phase of the life cycle.
- Provide a forum where each student can: apply his/her understanding of program management based upon functional course instruction and previous management experience; participate in the problem-solving and decision-making process; and gain a better insight into management issues involved in a variety of key acquisition decisions.

A major upgrade of the management laboratory is planned so that the case studies will reflect practices to be used on defense system acquisitions in the late 1970's and early 1980's. The series of case studies will involve a hypothetical weapon system, a medium-size system that must be included in the final assembly of the weapon system, and a small system (supplied as government furnished equipment) which also must be included in the final assembly of the weapon system. An effort will be made to convey a realistic data base (cost, schedule, performance) for the time frame of the acquisition and to conform to recent changes in DOD acquisition policy and direction. Integration with the related functional courses will be improved. The students will be able to select an acquisition alternative and follow it through one or more phase(s) of the system life cycle.

It is important to note that DSMC is developing a new series of case studies, patterned after the current series, for use by other federal agencies. Specifically, acquisition of a hypothetical system and support equipment of a non-defense nature will be simulated so that the direction set forth in OMB Circular A-109 can be applied. The simulation exercises will be used to demonstrate the application of management tools to a non-defense program and, in conjunction with courses offered by other federal agencies, to surface management issues related to the acquisition process.

The Program Management Decision Briefing presented by each student during the course will provide the student with an opportunity to collect his thoughts on a weapon system under study and present these thoughts to a practicing program manager in an effort to obtain a favorable decision as to the next course of action. Through this technique, each student will experience the problems associated with providing a convincing argument to a high-level decision-maker.

A breakout of PMC functional course elements is provided in Annex D.

2.1.1.2 Executive Refresher Course (ERC)

This professional education seminar is designed to assist program managers and other selected senior level managers, whose duties interface and interact with the system acquisition process, in gaining a better understanding of the latest policies, procedures and overall environment applicable to program management. The attendees will review and discuss the many concepts and methods of program management currently in use in order to highlight the problems and difficulties being experienced and avoid or minimize their occurrence in future system management activities. In addition, each attendee will have an opportunity to select specific areas of personal concern for individual consultation.

The object of this lecture/discussion seminar will be to cover current and future policies, practices and techniques. Although the past will be reviewed and the future will be discussed, emphasis will be placed on the day-to-day actions, issues and problems involved in program management. Interaction between the students themselves as well as with guest lecturers from the OSD, service staffs, acquisition commands and key members of the industry will also be strongly emphasized.

The ERC will be organized to follow the sequential phases of system acquisition and emphasize the major decisions required by DOD Directives and Instructions. Within each phase, the seminar will focus on issues, problems, and decisions.

A listing of representative subject areas to be presented in each seminar is shown in Annex E.

2.1.1.3 Systems Acquisition Management for General/Flag Officers (SAM)

This offering is designed to acquaint key individuals with the functions, responsibilities and problems of DOD program managers and to provide an orientation in defense systems acquisition management. The offering will include a review of the life cycle process relating to defense systems acquisition; changing acquisition policies and recent trends; and roles and relationships of DOD system acquisition managers with other government agencies and industry.

The focus of this offering will be an indoctrination in DOD defense systems acquisition policies, practices and key issues. Discussions will be held on how DOD is organized and conducts the business of defense systems acquisition management. Emphasis will be placed on the responsibilities and reporting channels of the program managers within the military departments and upon their organizations. Similar coverage will be devoted to key officials of OSD and the military departments. The defense systems acquisition life cycle will be reviewed. The development of requirements, budgeting, and the acquisition management process will be discussed. External DOD relationships, as well as internal relationships, will be presented. Interfaces between DOD and the Congress, its agency-the General Accounting Office-and industry will be highlighted. The roles and relationships of OSD, JCS and the military departments in the acquisition process will be discussed.

A listing of representative subject areas to be contained in each offering is shown in Annex F.

2.1.1.4 Contractor Performance Measurement Course (CPMC)

This course is designed to develop a comprehensive understanding of the requirements of DOD Instruction 7000.2, Performance Measurement for Selected Acquisition. Participants will review the philosophy, policies and concepts of applying control systems criteria in program management. Examination of specific applications and techniques for increased visibility in program cost and schedule performance will be conducted. The use and analysis of the Cost/Schedule Control Systems Criteria (C/SCSC) and its related data will be introduced.

The principal focus of this course will be effective program performance measurement provided as a result of the application of C/SCSC. Presentations will be made by guest lecturers. Service panel members will present their unique problems and solutions. Case studies and analysis of data from contractors' management systems will supplement instruction on the application of the criteria, experience in their implementation, and responsibilities for cost/schedule performance measurement.

A listing of representative subject areas to be contained in each course offering is shown in Annex G.

2.1.1.5 Industry Financial Management Course (IFMC)

This course for intermediate and senior level managers is designed to provide the participants with a working knowledge of financial management activities and issues from an industry point of view. It will provide the participants with an awareness of the contractor's motivations, constraints, and incentives as they are applied to a government program in the context of the company's overall financial objectives. The participant should gain an understanding of how the overall contractor financial management process comes together. The course will enhance the participant's ability to anticipate problems and take timely action to avoid the surprises that have typified the financial status of defense programs.

The course is designed for nonfinancial managers. It will cover an overview of finance and managerial accounting, financial planning and control and specific defense industry financial management problems in various phases of a defense systems life cycle. Major emphasis will be given to case studies which contain financial management issues relevant to defense systems program management. Participants will be expected to study the assigned readings and cases and to contribute actively in class discussions.

A listing of representative subject areas to be contained in each course offering is shown in Annex H.

2.1.1.6 Life Cycle Cost Course (LCCC)

This course is designed to give program managers and other selected senior level managers an understanding of how to manage life cycle costs in defense system acquisition programs. Included in the course will be an examination of DOD policy, the elements of life cycle cost, cost estimating techniques, life cycle cost models, system trade-off analyses, life cycle cost considerations in each program phase and the overall uses of life cycle cost data as a management tool.

The course will provide attendees with an appreciation of the types and importance of costs involved from the time a system is conceived until it is expended or deactivated; an understanding of management techniques to be followed in holding these costs to a reasonable level; and the ability to properly articulate the life cycle cost approach to higher authority. The lecture/discussion method and case studies will be used in conducting the course.

A listing of representative subject areas to be contained in each course offering is shown in Annex I.

2.1.1.7 Multinational Program Management Seminar (MPMS)

The seminar is designed to give program managers and other selected senior level managers an understanding of technology transfer, into and out of the United States, and to enhance standardization and interoperability within NATO. More importantly, the seminar will provide program managers with a knowledge of some of the pragmatic techniques and the pitfalls in effecting this transfer. The national and DOD policies that will be explored are:

- Cooperative research and development
- Co-production
- Licensed production
- Direct procurement of foreign systems

As now conceived, attendees will be able to gain a knowledge and appreciation of the problems associated with the following:

- Developing a joint doctrine and common operational requirements
- Controlling the export and import of technology
- Establishing financial arrangements
- Establishing contracting arrangements that will permit economies in resources
- Making political decisions that are based on economic priorities at the national level

The seminar is still in the planning stage.

2.1.1.8 Major System Acquisitions Policy Implementation Seminar (MSAS)

DSMC will prepare material for 2 seminars relative to implementation of OMB Circular A-109, namely:

- A 2-day Seminar for senior DOD executives (GS-15 and above).
- A 1-1/2 day seminar for senior civilian agency executives.

The seminars will be presented in three segments.

The introductory segment will be presented by both non-agency (e.g. Office of Federal Procurement Policy (OFPP) or DSMC) personnel who will:

- Explain the philosophy and intent of the major system acquisitions policy promulgated by OMB Circular A-109.
- Present a generalized description of the process it specifies.

The second segment will consist of presentations by both non-agency speakers and agency representatives. The representatives will define and explain the acquisition activities specified in the Circular and required by the agency implementing directives (DODD 5000.1/5000.2 and ERDA IAD 0881-6 for example).

The third segment will be presented by agency representatives. This segment will provide a "how-to" explanation and a summary of the agency policies and processes.

2.1.2 STUDENT ENROLLMENT

The DSMC will continue to enroll both military and civilian students from the Office of the Secretary of Defense, the three military departments, and other federal agencies. The college also plans to enroll a limited number of foreign students from NATO countries beginning in 1978.

The DSMC will continue to encourage participation of students from U.S. industry in its courses. The interaction between industry and government students in DSMC courses in the past has been of great value to both. Although there has been some reluctance on the part of industrial firms to forego the services of their top quality middle managers for almost 5 months to take the Program Management Course, DSMC will continue to encourage industry to enroll students in each offering of this course. The DSMC objective is to enroll 1 industry student for every 10 government students in the PMC.

Annex J presents the actual enrollment for FY 77 and the projected enrollment for the next six years.

2.1.3 OFF-CAMPUS INSTRUCTION

The Executive Refresher Course and Systems Acquisition Management for General/Flag Officers will continue to be given as resident courses; however, some of the other short course offerings will be presented off-campus. The specific off-campus locations will be determined according to needs and availability of suitable facilities.

DSMC management anticipates that requests for special off-campus presentations will continue to be received. In the past, teams of DSMC instructors have made presentations at the Army Missile Systems Command, Army Aviation Systems Command, Army War College, Air Force Headquarters, Air Force Systems Command, Air Force Institute of Technology, Electronic Systems Division of AFSC, Naval Material Command, Naval Sea Systems Command and the Department of Defense Computer Institute. In the future, when resources are available and the giving of such presentations does not jeopardize the quality or scheduling of resident instruction, requests for such special off-campus presentations will be honored.

In CY 77 DSMC conducted 2-day courses in Contractor Performance Measurement for the Energy Research and Development Administration and the Armament Development and Test Center, Eglin Air Force Base. Because single-agency courses tailored to the agency's peculiar needs are not as effective as multi-agency courses, such presentations will not be encouraged.

DSMC management plans to have the faculty continue to teach selected courses at the Industrial College of the Armed Forces (ICAF) at a relatively low level of effort. It is expected, however, that through actions of the ICAF/DSMC Interactivity Group (established in 1976) the level of mutual support between the two colleges will increase in the years ahead.

DSMC will also provide limited faculty support to the educational program being offered by the Department of Defense Computer Institute (DODCI) in the area of acquisition management.

As new courses in the acquisition management field are developed to support the needs of agencies outside the DOD, the DSMC will encourage the agencies to send students to those courses who can be trained to serve as instructors in the particular field of study.

2.2 RESEARCH AND SPECIAL STUDIES

The newly formed Department of Research and Publications (DRP) will be the focal point for acquisition management research and special studies, which is one of the primary missions of the college. This new department, the functions and responsibilities of which are described in some detail in Section 3 of this plan, will give increased emphasis to this very important DSMC mission. The research and special studies conducted by DRP will be carried out in support of the Office of Secretary of Defense (OSD), the Joint Logistics Commanders and the Defense Systems Management College itself--as well as the Office of Federal Procurement Policy. As presently conceived, the new department will facilitate the performance of research and special studies, coordinate the efforts performed in this area, and integrate the results of these efforts. This department will encourage, supervise and participate in significant efforts to increase and update the body of knowledge in the program management field, which, in turn, should assist defense officials in formulating or updating policies related to management of the systems acquisition process. This department will also serve as the clearing house for: (1) the dissemination of the results of research and special studies in the acquisition management field under its purview, and (2) information that may impact on the functions of the systems acquisition process.

Some of the initial projects being considered by this new organization are to:

- Publish, in support of the Joint Logistics Commanders, a program manager's guide to use in programs involving more than one service.
- Determine the effectiveness of the tools of management used by selected program managers.
- Develop a suitable method for tying the PPBS, DCP, DSARC decisions and SAR together. These activities are being performed independently.
- Determine how to effectively implement the Milestone Zero concept.
- Determine the effect of technology transfer to or from Allied Nations on program management.
- Determine how the Department of Defense can effectively support NATO rationalization, standardization and interoperability.
- Determine the role of performance specifications vs. role of functional specifications.

- Devise evaluation criteria to be used for the establishment of a data base for a library showing contractor past performances.
- Determine how to prepare and process a successful Request for Proposal (RFP).
- Determine the efficacy of providing governmental facilities to selected contractors in a competitive environment.
- Determine the effectiveness of the Cost/Schedule Control System Criteria (C/SCSC) concept after many years of use.

The basic policy relative to the DSMC interface with the Federal Procurement Institute (FPI) in the area of acquisition/management research is evolving. Currently there is a voluntary cooperative effort. This method of doing businesss will be followed by a Memorandum of Understanding (MOU) signed by the heads of these institutions. The MOU is expected to state that DSMC is the:

- Focal point for acquisition research planning
- Program coordinating organization for acquisition case studies
- Organization that will develop the financial management curricula associated with system acquisition
- Lead organization for FPI development of system acquisition management curricula

2.3 INFORMATION DISSEMINATION

The Department of Research and Publications will be responsible for the assembly and dissemination of information concerning new policies, methods, and practices in program management and system acquisition management--one of the three basic missions of DSMC. The principal vehicles for carrying out this function will continue to be the Defense Systems Management Review and the Program Managers Newsletter.

DSMC established the Defense Systems Management Review--a quarterly publication--in December 1976. This publication is devoted to disseminating detailed information about new developments and effective actions taken relative to the management of defense system programs and defense system acquisition. It was conceived as a professional journal for transmitting, between persons in positions of leadership and responsibility in the program management and systems acquisition communities, information on policies, trends, events and current-thinking affecting the practice of program management and defense system acquisition. The publication will continue to serve as: (1) a means for providing an historical record of significant information associated with defense system acquisition/management concepts and practices, and (2) a medium for continuing the education and professional development of persons in the field.

The Program Managers Newsletter--another quarterly publication--will continue to serve as a primary source of current information of importance to the program management and defense systems acquisition community. This publication will present brief reports by defense and industry leaders on new concepts, policies and practices, as well as news of important events bearing on the activities of program managers and their interfaces in the defense system acquisition community. The newsletter will continue to serve as the principal vehicle for recording key events occurring at the Defense Systems Management College, thereby making it a valuable historical document, as well as a reference document for the college staff, faculty and students. A study will be made by DSMC to determine the advisability of publishing the Newsletter on a bi-monthly or monthly basis. Appropriate action will be taken following the study.

The Department of Research and Publications will publish the results of acquisition research and special studies as special reports or as featured articles in the Review or Newsletter.

In addition to the above, the DSMC public affairs office will continue to make news releases to the printed media concerning significant events at the college and graduates of the Program Management Course.

3.0 DSMC ORGANIZATION

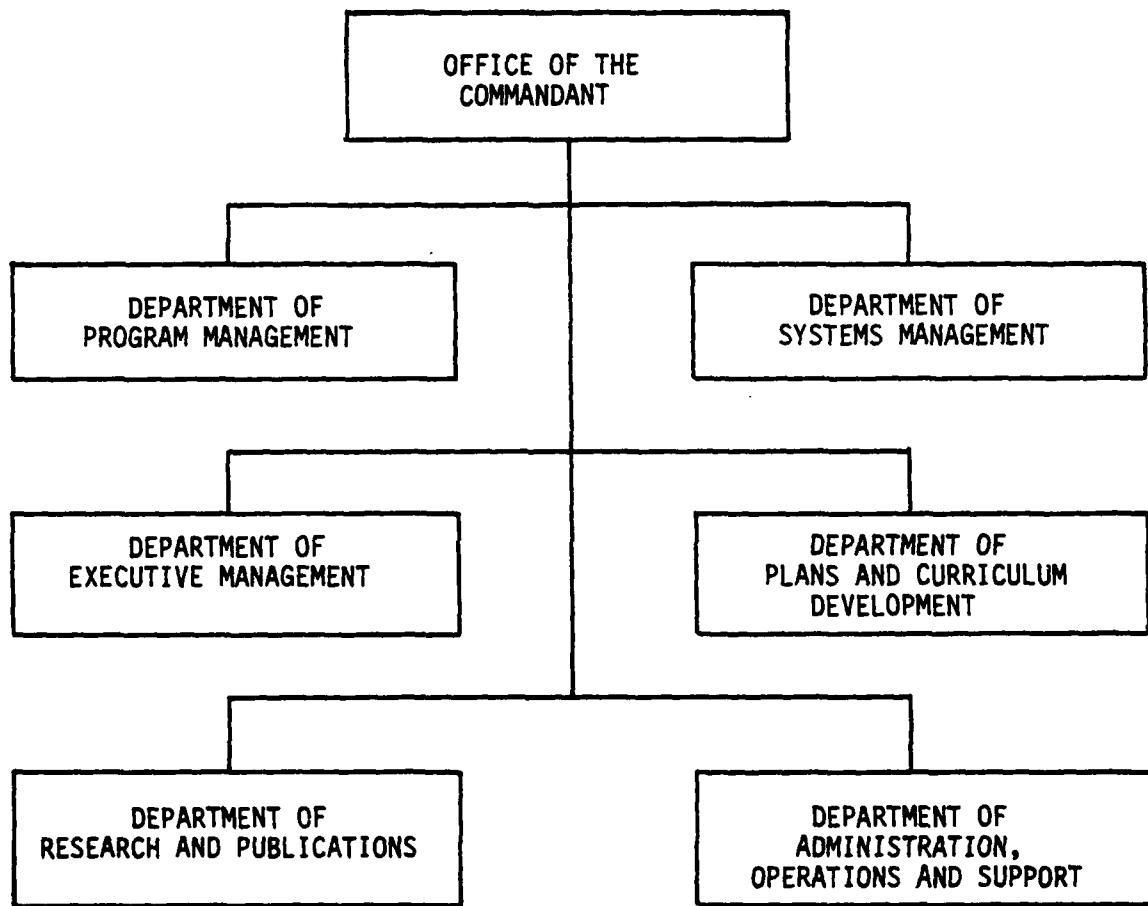
3.1 DEVELOPMENT OF THE STRUCTURE

During the past few months, DSMC management has been in the process of developing and staffing an organizational structure capable of accomplishing the short and long range objectives of the college with limited resources and at a low cost. The DSMC management team must be dynamic and the structure must provide the best possible grouping of functions to carry out each element of the college's overall operations. It is the intent of DSMC management to provide the most effective medium for utilizing and controlling personnel, facilities and financial resources and for accomplishing the stated mission and objectives, while reflecting a sound philosophy of management.

The basic framework for decision-making and action has been established. The relationships between each level of management, the spans of authority and the organizational links have been defined. This should result in a clear understanding by members of DSMC management and their subordinates of their roles, functions and responsibilities.

The DSMC organizational structure is based upon what DSMC executive management currently believes to be an "ideal" framework in today's environment; however, the organizational structure will have to be adjusted from time to time to meet the changing needs of the college and to effectively use the capabilities of the personnel available to carry out the functions that have to be performed.

DSMC ORGANIZATION
FIGURE 3-1



3.2 ORGANIZATIONAL STRUCTURE

To accomplish the missions set forth in its charter, DSMC has been organized into six departments with each department reporting to the Commandant.

- Department of Program Management (DPM)
- Department of Systems Management (DSM)
- Department of Executive Management (DEM)
- Department of Plans and Curriculum Development (DPCD)
- Department of Research and Publications (DRP)
- Department of Administration, Operations and Support (DAOS)

The DSMC organizational structure now being staffed is shown in Figure 3-1.

The functions that each department will perform to accomplish the basic missions of the college are briefly described in the paragraphs below.

3.2.1 DEPARTMENT OF PROGRAM MANAGEMENT (DPM)

In coordination with the Office of the Commandant, the department will plan, develop, schedule and conduct the Program Management Course (PMC) to provide a foundation for use by program management in the system acquisition management environment. In coordination with the Department of Research and Publications and Department of Plans and Curriculum Development, DPM will conduct research and studies appropriate to course requirements; write supplemental materials; select and publish selected readings. In conjunction with the Department of Systems Management, DPM will schedule and integrate the computer-assisted systems management laboratory exercises into the instructional program to expand and enrich the learning process of students. DPM will support the conduct of courses accomplished by the Department of Executive Management by furnishing instructors, advisors and faculty expertise in prescribed curricular activities; the college publication program by furnishing articles and advice as required.

3.2.2 DEPARTMENT OF SYSTEMS MANAGEMENT (DSM)

In coordination with the Office of the Commandant, the department will plan, develop, schedule and conduct the systems management laboratory case studies that portray the activities in the various phases of the life cycle to students in the Program Management Course. DSM will direct and administer the Program Management Decision Briefing (PMDB); develop and maintain the computer data base required for the support of the systems management laboratory, other case simulations and automated data processing required to support the DSMC. The Director will serve as the principal advisor for systems management simulations. DPM will assist in the sponsorship and conduct of special seminars, workshops and symposium on subjects of current interest to the OSD and the services in order to enhance the exchange of information on significant trends, policies and concepts; support other departments and DSMC publications by furnishing instructors, advisors and faculty expertise in prescribed curricular activities; provide systems analysis, software and processing services for the design, implementation and maintenance of computer applications within the college.

3.2.3 DEPARTMENT OF EXECUTIVE MANAGEMENT (DEM)

In coordination with the Office of the Commandant, the department will plan, develop, schedule and conduct executive level management courses designed to promote and maintain the expertise of DOD managers and senior officials in the systems acquisition process. As new concepts, directives and methods evolve in the systems acquisition process, the DEM will design and conduct courses to educate managers at the same time directives are implemented. DEM will serve as the focal point within DSMC for short courses. DEM will support the publication program and special projects by furnishing advice and professional expertise as required.

3.2.4 DEPARTMENT OF PLANS AND CURRICULUM DEVELOPMENT (DPCD)

In coordination with the Office of the Commandant, the department will develop long-range plans and budgets for the college; conduct necessary reviews and evaluations to assist the Commandant, Deputy Commandant and the Curriculum Committee to improve the DSMC curriculum, instruction methodologies and related materials; and function as the financial management center for the college. DPCD will formulate plans and goals for the college in coordination with DSMC departments and other agencies within established parameters; conduct studies and curriculum reviews; assemble information concerning new policies, methods and practices in program management and system acquisition management for use in the evaluation and improvement of the DSMC curriculum, instructional methodologies and related materials. DPCD will advise the Commandant, Deputy Commandant and Curriculum Committee on ways to improve course offerings, instructional methodologies and related materials, based upon information assembled on policies, methods, practices and trends in systems acquisition management and assists in the development of courses and/or blocks of instruction as directed.

3.2.5 DEPARTMENT OF RESEARCH AND PUBLICATIONS (DRP)

In coordination with the Office of the Commandant, the department will plan, develop, direct, supervise and conduct system acquisition management research, analysis and innovative studies to develop concepts of program management doctrine and systems acquisition strategies. DRP will serve as the focal point for research matters; develop study/research directives in conjunction with the research sponsor; postulate, develop and implement research/study approaches and methodology; establish ad hoc research teams as required; task other institutions or agencies as necessary, and coordinate the efforts of these organizations for completion of the research task assigned; perform necessary research analysis; and prepare research reports/memoranda for publication or other use. DRP will maintain continuing liaison with system acquisition activities within the federal government to facilitate the deliberate coherent examination of current policies affecting system acquisition management; serve as the focal point for review of directives, proposed changes to regulations and other implementing instructions; prepare and publish reports, papers, memoranda and the results of analysis as required; solicit, collect, edit and publish professional articles for inclusion in the DSMC Program Managers Newsletter, the Defense Systems Management Review and other special publications as directed.

3.2.6 DEPARTMENT OF ADMINISTRATION, OPERATIONS & SUPPORT (DAOS)

In coordination with the Office of the Commandant, the department will plan, direct, supervise and conduct the general administration of the college to include personnel management, supply support, space allocations, security, reproduction support, mail and distribution, visual aids, records administration, library services and registrar functions. DAOS will coordinate administrative and academic support matters for the college and serve as the focal point for all construction, renovation and allocation of space required to support the operations of the DSMC.

3.3 BENEFITS TO BE REALIZED

DSMC management believes that the current effort on organizational planning and development will provide the college with a standard that affords sounder evaluation of personnel, better control over future changes in the organization, and greater flexibility by DSMC to adapt to new or changing objectives.

4.0 DSMC RESOURCES

4.1 PERSONNEL

A total staffing of 106 was approved for FY 77 and FY 78 by the Policy Guidance Council in December 1976. However, some upward adjustments are necessary in FY 78 to satisfy growing customer requests for additional courses and support. Also, additional personnel are required to staff expansion of the acquisition management research effort.

To satisfy long range DSMC goals, additional faculty and staff members will be required beginning in FY 79. Approval by the Policy Guidance Council of additional spaces for FY 79 and the follow on years, followed by appropriate DSMC action, will:

- Provide needed back-up for faculty members in critical functional courses
- Provide an opportunity for greater involvement by faculty members in the systems management laboratory exercises and program management decision briefings
- Provide more opportunities for faculty members from the Program Management Department to instruct in the short courses offered by the Executive Management Department
- Provide an increased capability for DSMC to conduct acquisition management research and special studies
- Provide more capability by DSMC to support DOD and other federal agencies in satisfying a variety of requirements for special presentations--on or off the campus.
- Enable DSMC computer personnel to give better support to the course offerings and the college's administrative functions
- Enable DSMC to improve its consultation services relative to various aspects of managing the systems acquisition process.
- Enable DSMC personnel to participate in more professional development courses, seminars and meetings

The personnel that will be required to satisfy the DSMC mission and objectives from FY 78 through FY 79 are tabulated in Table 4-1. It should be noted that in order to avoid large permanent staffing increases, some specific units of work required to support the DSMC short and long range objectives will be contracted out.

TABLE 4-1
AUTHORIZED AND PLANNED STAFFING

| Category | FY 77 Authorized TD | FY 78 Approved TD | FY 78 Required Increases | FY 78 Required Total | FY 79 Required Increases | FY 79 Required Total |
|----------------------------|---------------------------|-------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
| Officer | 24 | 24 | 4 | 28 | 3 | 31 |
| Enlisted | 21 | 21 | 1 | 22 | 3 | 25 |
| Civilian, GS-11 & above | 35 | 33 | 7 | 40 | 6 | 46 |
| Civilian, GS-10 & below | 26 | 28 | 4 | 32 | 7 | 39 |
| <u>Total</u> | <u>106</u> | <u>106</u> | <u>16</u> | <u>122</u> | <u>19</u> | <u>141</u> |

4.2 FACILITIES

Renovation of Building 204, completed in 1975, provided 4 classrooms and study rooms to accommodate 62 students. Using the new classrooms and study rooms, along with the study rooms available in Building 205 and the systems management laboratory rooms in Building 202, it has been possible to accommodate an average of 125 students per class since PMC 76-1. Although not considered adequate to provide the proper educational environment, 2 temporary classrooms are continuing to be used for sessions in both the PMC and the Executive Management Courses. The Abilene Room in Building 202 also continues to be used on a daily basis as a temporary classroom.

Major renovations to existing facilities will begin in the second quarter of FY 78 and be completed in the fourth quarter of FY 79 (see Figure 4-1). Buildings 205, 207, 209, and 219A (DSMC Auditorium) will be closed while new classrooms, faculty offices and student study rooms are being constructed, central air conditioning is being installed, and a general upgrading of the electrical services and heating plants is being completed. As a result of the construction program, there will be:

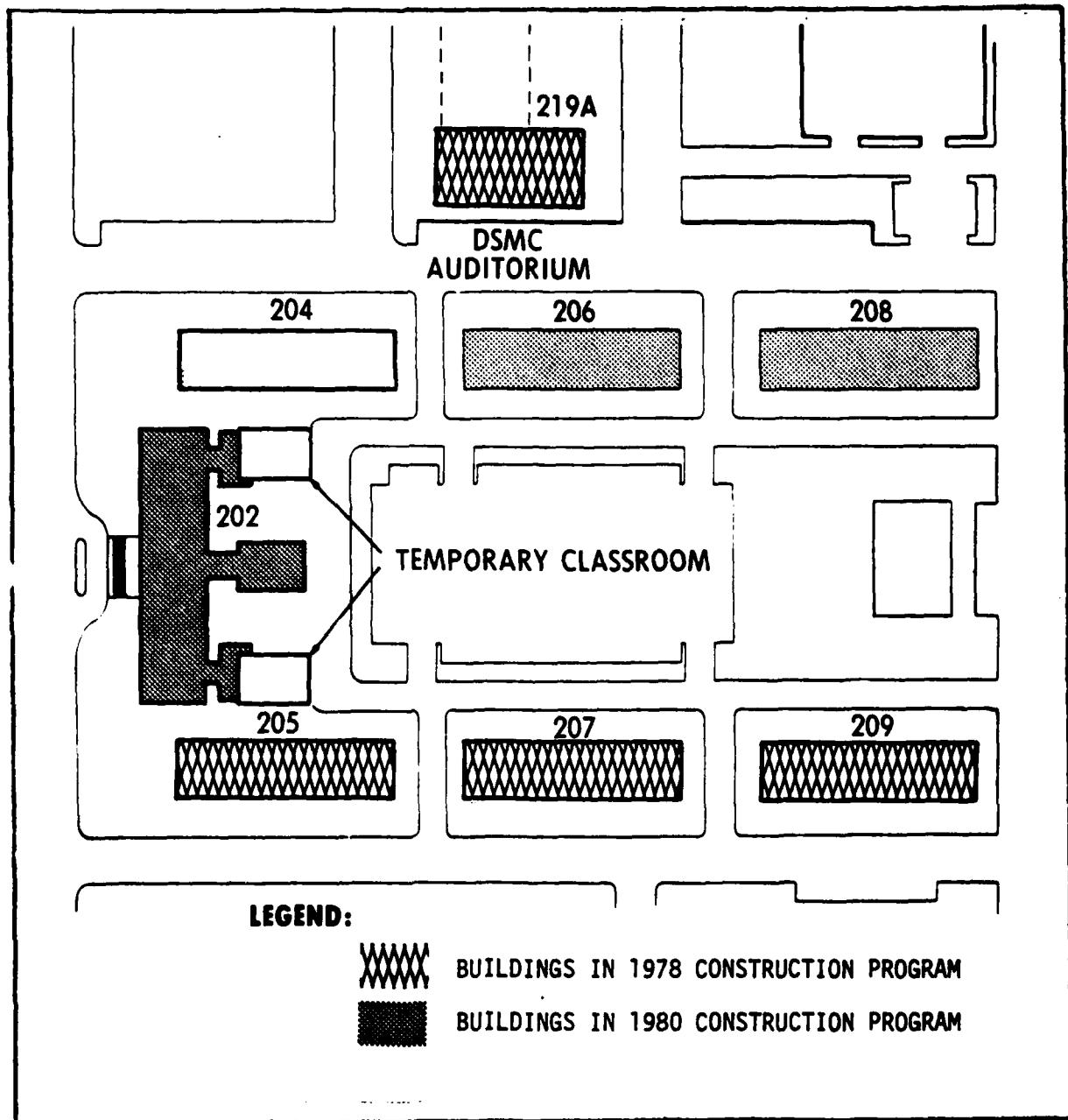
- 9 new classrooms (3 in Bldg. 205, 2 in Bldg. 207, and 4 in Bldg. 209)
- Sufficient student study rooms to accommodate 200 PMC students per class
- An auditorium that is useable throughout the entire year

During the construction period there will be some crowding in the offices and study areas; however, every faculty/staff member understands the problem and students attending courses during the construction period will be notified in advance as to what to expect. DSMC management does not anticipate any unsolvable problems relating to the 1978 construction program.

A minor military construction program is being planned for FY 79.

A new MCA construction program involving Building 202 (DSMC Headquarters) and Buildings 206 and 208 will be initiated in FY 80. This should bring DSMC Headquarters Building up to modern-day standards and provide additional classrooms and office space to accommodate the increases in the short course offerings anticipated in the next few years. The resources required are based upon the assumption that DSMC will be able to acquire Buildings 206 and 208 in time to meet this construction schedule.

DSMC FACILITIES
FIGURE 4-1



4.3 FUNDING

A breakout of DSMC budgetary requirements for FY 78 through FY 83 is presented in Table 4-2. The funding is based on 1978 real dollar values; i.e., inflation factors have not been included. Funding for most cooperative Federal Procurement Institute (FPI) and DSMC efforts will be on a non-reimbursable basis in FY 78 and on a reimbursable basis beginning in FY 79.

4.3.1 OMA FUNDS

In December 1976, the Policy Guidance Council approved an OMA budget of \$2.016 million for FY 78; however, there have been requests for additional short course offerings. To honor these requests in FY 78 and thereafter, some increase in faculty and staff will be necessary. A concerted effort will be made to minimize increases in staffing by contracting for some of the needed services. Further, DSMC will encourage other federal agencies to send students, that they plan to use as instructors, to the short courses. This will reduce the DSMC workload. The effect of the personnel additions and the supporting services/supplies on the OMA budget is reflected in the Revised Budget for FY 78 and in the Budget Projections for FY 79 through FY 83 (Table 4-2).

4.3.2 RDT&E FUNDS

4.3.2.1 Course Development

Funding for course development will continue to be needed in the coming years, particularly for the upgrade of the exercises in the computer-assisted management laboratory.

4.3.2.2 Acquisition Management Research

The funding required for acquisition management research in FY 78 and beyond is shown in Table 4-2. A discussion of the management research projects and the relationship of DSMC to the Federal Procurement Institute (insofar as research is concerned) may be found in paragraph 2.2.

4.3.3 MCA FUNDS

The 1978 construction program will cost \$2.013 million. This has been authorized by Congress and approved by the President. It is anticipated that construction will begin in the second quarter of FY 78 and be completed in the second quarter of FY 79.

The minor military construction program planned for FY 79 will cost about \$75,000.

The new MCA construction program planned for FY 80 involving Buildings 202, 206 and 208 will cost about \$1,800,000.

TABLE 4-2
DEFENSE SYSTEMS MANAGEMENT COLLEGE BUDGETARY REQUIREMENTS

| | APPROVED BUDGET | REVISED BUDGET | BUDGET PROJECTION | | | | |
|--------------------|--------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|
| | | | FY 78 | FY 78 | FY 79 | FY 80 | FY 81 |
| <u>OMA FUNDS</u> | | | | | | | |
| Civilian Pers. | \$1,309,000 | \$1,511,300 | \$1,979,900 | \$2,200,000 | \$2,310,000 | \$2,425,000 | \$2,546,000 |
| Trav. & Trans. | 78,000 | 85,000 | 95,000 | 105,000 | 105,000 | 105,000 | 105,000 |
| Rents | 65,000 | 65,000 | 70,000 | 75,000 | 75,000 | 75,000 | 75,000 |
| Communications | 12,000 | 12,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Printing | 3,000 | 18,000 | 24,000 | 30,000 | 36,000 | 40,000 | 40,000 |
| Equip. Maint. | 5,000 | 5,000 | 12,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Purch. ADP Serv. | 125,000 | 125,000 | 140,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Other Purch. Serv. | 180,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Supplies | 75,000 | 110,000 | 120,000 | 125,000 | 125,000 | 125,000 | 125,000 |
| Equipment | 163,000 | 240,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| 012 Limit. Fund | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Total OMA Funds | \$2,016,200 | \$2,672,500 | \$3,107,100 | \$3,355,200 | \$3,471,200 | \$3,590,200 | \$3,711,200 |

RDT&E FUNDS

| | | | | | | | |
|------------------|------------|------------|-------------|-------------|------------|------------|------------|
| Course Devel | \$ 100,000 | \$ 200,000 | \$ 500,000 | \$ 500,000 | \$ 300,000 | \$ 100,000 | \$ 200,000 |
| Acq Mgt Research | \$ 250,000 | \$ 350,000 | \$ 500,000 | \$ 500,000 | \$ 800,000 | \$ 500,000 | \$ 500,000 |
| | \$ 450,000 | \$ 850,000 | \$1,700,000 | \$1,700,000 | \$ 800,000 | \$ 600,000 | \$ 700,000 |

MCA FUNDS

| | | | | | | | |
|------------|-------------|-------------|-----------|-------------|-----------|-----------|-----------|
| Facilities | \$2,013,000 | \$2,013,000 | \$ 75,000 | \$1,800,000 | \$ 75,000 | \$ 75,000 | \$ 75,000 |
|------------|-------------|-------------|-----------|-------------|-----------|-----------|-----------|



January 5, 1977
NUMBER 5160.55

DDR&E

Department of Defense Directive

SUBJECT Defense Systems Management College

Refs: (a) DOD Directive 5010.16, "Defense Management Education and Training Program," July 28, 1972
(b) DOD Directive 5160.55, "Defense Systems Management College," July 23, 1976 (hereby cancelled)
(c) Public Law 92-463, Federal Advisory Committee Act
(d) Executive Order 11686
(e) DOD Directive 5000.23, "System Acquisition Management Careers," November 26, 1974

I. REISSUANCE AND PURPOSE

This Directive (a) reissues the charters for the Defense Systems Management College (DSMC) Policy Guidance Council and the DSMC Board of Visitors; (b) establishes and authorizes the operation of a DSMC, with a DSMC Policy Guidance Council and a DSMC Board of Visitors; and (c) provides guidance and criteria for the DSMC mission, supervision, and administration. Reference (b) is hereby superseded and cancelled.

II. APPLICABILITY AND SCOPE

The provisions of this Directive apply to the Military Departments; the Director, Defense Research and Engineering; the Assistant Secretaries of Defense (Comptroller/Installations and Logistics/Manpower and Reserve Affairs); Director, Planning & Evaluation; and those Defense Agencies concerned with defense system acquisition (hereinafter referred to collectively as "DOD Components").

III. ROLE AND MISSION

A. The DSMC, founded July 1, 1971, is a joint Military Service/Office of the Secretary of Defense professional military institution operating under the direction of a Policy Guidance Council chaired by the Director, Defense Research and Engineering. Its major course of study serves as the capstone for the professional education of DOD Component personnel in program management and defense system acquisition management.

Continuation of III.

B. The mission of the DSMC is to:

1. Conduct advanced courses of study that will prepare selected military officers and civilian personnel for (a) assignments in program management career fields, and (b) coping with various facets of defense system acquisition management. This is the primary mission of the college.
2. Conduct research or special studies in defense program management and defense system acquisition management concepts and methods.
3. Assemble and disseminate information concerning new policies, methods, and practices in program management and defense system acquisition management.

IV. RESPONSIBILITIES

- A. The mission, composition, and operation of the DSMC Policy Guidance Council are described in its charter (enclosure 1).
- B. The mission, composition, and operation of the DSMC Board of Visitors are described in its charter (enclosure 2).
- C. The Commandant of the DSMC will:
 1. Operate the DSMC as a centralized activity for the professional education of selected military officers and civilian personnel in all facets of program management with emphasis on managing the acquisition of defense systems.
 2. Implement the policy guidance provided by the DSMC Policy Guidance Council.
 3. Provide the courses identified in enclosure 3 and, as resources permit, additional short courses, seminars, workshops, on-site courses and extension courses in response to specific needs of the DOD Components or in response to specific direction from the DSMC Policy Guidance Council.
 4. Allocate student quotas for each course, based upon needs of each DOD Component, and receive nominations for each class.

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Continuation of IV.

5. Develop admissions policy, educational practices and standards, curricula, and other functional material necessary for the efficient functioning of the DSMC, with coordination as appropriate with DOD Components, the Defense Management Education and Training Board (reference (a), DOD Directive 5010.16), civilian academic institutions, and defense industry and general business organizations.
6. Conduct research or special studies directed toward improving the curricula and increasing the body of knowledge in program management and defense system acquisition management.
7. Disseminate current management information assembled or developed at DSMC to the Government and the defense industry community.
8. Have approval authority for and obtain the equipment and items required by, and in accordance with, the mission of the DSMC. Equipment and items requiring special authorization by Public Law, Executive Order, or DOD Directive/ Instruction will be obtained in accordance with the pertinent directions.
9. Submit his nomination for the Deputy Commandant to the DSMC Policy Guidance Council, through the Executive Secretary, for approval.
10. Nominate and, upon receipt of necessary approval by the DSMC Policy Guidance Council (see Charter of the DSMC Board of Visitors, enclosure 2), appoint new members to the nine-member Board of Visitors; appoint a Secretary to the Board of Visitors from the DSMC staff; schedule all meetings of the Board of Visitors; report recommendations of the Board of Visitors to the DSMC Policy Guidance Council and obtain DSMC Policy Guidance Council concurrence on the actions planned to be taken on the recommendations.

D. The Secretaries of the Military Departments and Directors of the concerned Defense Agencies (or their designees) will provide the Commandant, DSMC, with the following:

1. Current policies and procedures, which relate to all phases of a defense system's life cycle, on a continuing basis.

Continuation of IV.

2. Annual requirements and five-year projections for the education to be provided by the DSMC in accordance with DOD Directive 5010.16 (reference (a)).
3. Student nominees who, by virtue of outstanding performance of duty and demonstrated academic ability, have the potential to hold, or have been selected to hold, senior positions in program management.
4. Information regarding utilization of graduates of the Program Management Course for at least five years after graduation, or until retirement if it should occur earlier.

E. The Secretary of the Army, or his designee, will:

1. Provide and maintain facilities essential to the operation of the DSMC in a manner commensurate with the importance of its mission to all DOD Components.
2. Assure that administrative and resource support is timely and fully adequate for the accomplishment of the mission assigned to the DSMC.
3. Review the DSMC annual budget and include it in the Department of the Army overall budget and financial plan.

V. ADMINISTRATION

A. The position of Commandant, DSMC, will rotate among the Army, Navy, and Air Force. The normal tour of duty will be three years. The Commandant will report to the DSMC Policy Guidance Council chaired by the Director of Defense Research and Engineering. Military Department nominees will be approved by the DSMC Policy Guidance Council.

1. The Commandant assigned will hold the rank of General or Flag Officer.
2. Experience in the management of a major defense system acquisition program is essential.

B. To provide continuity and assure that all three Military Departments are represented at the management level of the DSMC, each Department will nominate a Colonel/Captain to assist the Commandant in the operation of the college. The tour of duty will be three years. Military Department nominees will be approved by the Commandant.

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Continuation of V.

C. Commissioned officers and enlisted personnel from all DOD Components, augmented by qualified civilian personnel, will be assigned to the faculty and staff of the DSMC on a prorated basis. The faculty assignees should have had experience in defense systems acquisition management. The tour of duty for military faculty will be three years. All faculty and staff nominees will be approved by the Commandant.

VI. PROGRAMMING, BUDGETING, AND FINANCING

The Department of the Army will be responsible for programming, budgeting and financing all expenses incident to the operation of the DSMC, except as indicated below, and will separately identify all such expenses in its Operation and Maintenance budget and financial plan submission to the Office of the Secretary of Defense.

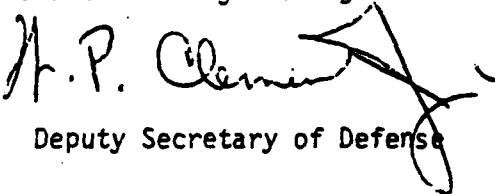
A. The pay allowances (including subsistence), Permanent Change of Station travel expenses of military personnel permanently or temporarily assigned to assist in the management or operation of the DSMC, including instructors, will be borne by the Military Service to which such personnel belong. The salaries and expenses, including travel of civilian personnel temporarily assigned, will be borne by the DOD Component by which personnel are employed.

B. Pay, allowances, and travel costs (not integral to courses of instruction) of military and civilian personnel assigned as students at the DSMC will be borne by the sponsoring DOD Component.

C. Other Federal agencies and industrial concerns accepting invitational quotas will be required to pay all direct costs such as travel, per diem, and subsistence. Appropriate tuition fees may be assessed non-DOD activities at the discretion of the Secretary of the Army.

VII. EFFECTIVE DATE OF IMPLEMENTATION

This Directive is effective immediately. Two copies of the instructions issued to implement this Directive will be forwarded to the Director of Defense Research and Engineering within 60 days.


M. P. Clement
Deputy Secretary of Defense

Enclosures - 3

1. Charter of the DSMC Policy Guidance Council
2. Charter of the DSMC Board of Visitors
3. Courses Provided by the DSMC

5160.55 (Enc 1)

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CHARTER OF THE DEFENSE SYSTEMS MANAGEMENT COLLEGE
POLICY GUIDANCE COUNCIL

I. PURPOSE

This charter prescribes the mission, composition, and operation of the Defense Systems Management College (DSMC) Policy Guidance Council (hereinafter referred to as the Council).

II. MISSION

The mission of the Council is to (a) establish policy, provide guidance, and act as prime jurisdictional agent for the operation and administration of the DSMC; (b) approve the admissions policy and the curriculum for each new DSMC course; (c) approve the nomination of the DSMC Commandant and the Deputy Commandant; and (d) approve the nomination of each new member of the DSMC Board of Visitors.

III. COMPOSITION

The members of the Council will be the Director of Defense Research and Engineering, who will serve as Chairman; Assistant Secretaries of Defense (I&L), (C), and (M&RA); the Director, Planning & Evaluation; a representative of the Secretary of each Military Department; the Commanders of Army Materiel Development and Readiness, Naval Material, Air Force Systems, and Air Force Logistics Commands; and the Assistant Director of Defense Research and Engineering (Engineering Policy), who will serve as its Executive Secretary. The Chairman will appoint a Recording Secretary.

IV. OPERATION

All meetings will be held at the call of the Chairman. The Council will meet at least once each fiscal year with the DSMC Commandant to review current operations and approve the five-year plan.

The Executive Secretary will meet, as necessary, with points of contact appointed by each of the Council members to formulate recommendations and perform other duties as may be directed by the Chairman.

The Recording Secretary will receive items for discussion from Council members; prepare the agenda and minutes of each meeting; and obtain the Chairman's approval of the agenda prior to issuance.

Continuation

V. DURATION

The Council will automatically terminate upon completion of its mission or not later than two years from the date of its reaffirmation, whichever occurs earlier, unless approval is obtained in advance to continue the Council for another two-year period in accordance with requirements of the DOD Committee Management Program. The activities of the Council will be evaluated annually by the Chairman to determine whether the Council should be continued and, if so, whether its role should be changed.

VI. DATE OF REAFFIRMATION

January, 1977

5160.55 (Encl 2)
Jan 5, 77

CHARTER OF THE DEFENSE SYSTEMS MANAGEMENT COLLEGE
BOARD OF VISITORS

I. OFFICIAL DESIGNATION

Defense Systems Management College Board of Visitors

II. OBJECTIVES AND SCOPE

- A. The Defense Systems Management College (DSMC) Board of Visitors (hereinafter referred to as the Board), composed of members appointed from civilian life by the Director of Defense Research and Engineering upon the recommendation of the Commandant, DSMC, to the DSMC Policy Guidance Council (PGC), advises the PGC, through the Commandant, on organization, management, curricula, methods of instruction, facilities and other matters of interest to the College.
- B. The Board shall consist of approximately 9 Members at Large.
 1. Members at Large will be selected on the basis of their pre-eminence in the fields of academia, general business and defense industry as necessary to cover the interests of the College.
 2. Members at Large will serve a term of two years; however, a one-year extension may be granted by the Commandant, DSMC, upon submittal of a recommendation by the Chairman of the Board.
- C. The Chairman of the Board shall be selected from its membership, subject to appointment by the Commandant, DSMC.
- D. The Secretary to the Board, who will be a full-time salaried employee of the government with necessary staff support, shall be appointed by the Commandant, DSMC, from the DSMC staff.

III. PERIOD OF TIME NECESSARY

The need for this advisory function is on a continuing basis. However, it is subject to renewal every two years.

IV. AGENCY OR OFFICIAL TO WHOM COMMITTEE REPORTS

The DSMC Board of Visitors reports to the DSMC Policy Guidance Council through the Commandant, DSMC.

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V. AGENCY PROVIDING SUPPORT

- A. The Commandant, Defense Systems Management College, shall provide for such technical or administrative assistance as is needed by the Board. In particular, the Secretary to the Board shall attend all meetings and be responsible for the proper functioning of the Board in accordance with Public Law 92-463, Executive Order 11686 and implementing OMB and DoD Regulations for Federal Advisory Committees and to the Chairman in connection with the planning, operation and co-ordination of the work of the Board and shall have specific authority to adjourn any meeting of the Board or its working group, which is not considered to be in the public interest.
- B. The DSMC will bear the expenses of Board members, including consulting fees, travel and subsistence.

VI. DESCRIPTION OF DUTIES

- A. The mission of the Board is to advise the Commandant, DSMC, and the DSMC Policy Guidance Council on the overall mission and operations of DSMC including organization, management, defense systems acquisition curricula, methods of instruction, career-related activities, research and overall operation of the DSMC. In furtherance of this mission the Board shall also concern itself with policy matters in the area of long-range planning. It shall render advice to the Commandant on solutions to pressing and complex problems of policy development and principles to be followed bearing on the accomplishment of the DSMC mission.
- B. The Board shall be responsive to requests or assignments from the Deputy Secretary of Defense, Director of Defense Research and Engineering (as chairman of the DSMC Policy Guidance Council) and the Commandant, DSMC.
- C. The procedures for developing the advice and findings of the Board shall be as flexible as is consistent with its defined purpose.
- D. The Chairman of the Board shall submit a report through the Commandant, DSMC, to the Executive Secretary of the DSMC Policy Guidance Council, setting forth the results of its examination and recommendations.

VII. ESTIMATED ANNUAL OPERATING COSTS

The estimated annual operating cost of the DSMC Board of Visitors is \$5,000 plus about one-quarter person years of full-time staff support.

VIII. ESTIMATED NUMBER AND FREQUENCY OF MEETINGS

- A. The DSMC Board of Visitors shall meet at least once each year, but not more than twice, on such dates as may be selected by the Chairman of the Board.
- B. Each meeting of the Board will be limited to three days in length.

IX. COMMITTEE'S TERMINATION DATE

DSMC Board of Visitors shall terminate January, 1979, or when its mission is completed, whichever is sooner, or unless prior approval for its continuation is obtained.

5160.55 (Encl 3)
Jan 5, 77

COURSES PROVIDED BY THE DSMC

I. PROGRAM MANAGEMENT COURSE

A. Purpose. The course is designed to provide a professional education in effective defense systems acquisition management for selected mid-career military officers and civilians who are assigned to, or entering, the defense systems acquisition management career field (reference e, DOD Directive 5000.23). Completion of this course is required for personnel pursuing long-term careers and seeking future key assignments in defense systems acquisition management unless waived by one of the Joint Logistics Commanders in a particular situation.

B. Description. This course of not more than 138 days will provide students with a broad knowledge and understanding of defense systems acquisition management through (1) education in the functional areas necessary for effective operation of a program office; (2) management simulation exercises involving the principal events and considerations encountered throughout the life cycle of a defense systems acquisition program; (3) case studies featuring lessons learned from real-life programs; (4) interaction with current program managers; and (5) analyses of current Office of Secretary of Defense and service policies and strategies in defense systems acquisition management augmented by presentations from senior officials. Throughout the course, a close relationship will be maintained between the challenges and problems encountered on current military programs and those provided in the classroom. The course may be substituted for the course at the Armed Forces Staff College in the case of military and civilian personnel aspiring to careers in program/project management (ref e); however, this does not preclude the Military Services from selecting and sending graduates of DSMC to intermediate or higher professional military education courses.

C. Enrollment. The course will be offered to:

1. Those persons from the DOD Components who are promising candidates to hold senior positions in program management later in their careers and who now hold, or are selected to hold, intermediate management positions in:
 - a. Program offices; or
 - b. Functional offices supporting program offices; or
 - c. Higher echelon offices supervising program management.
2. Selected persons in equivalent positions from other Federal agencies and the defense industry on a space-available basis.

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II. EXECUTIVE REFRESHER COURSE IN PROGRAM MANAGEMENT

- A. Purpose. The course -- for senior level managers -- is designed to review current concepts, methods, and policy dealing with Department of Defense systems acquisition management and to disseminate new management approaches.
- B. Description. This short course (no longer than three weeks) will be provided primarily to review the most effective concepts and methods of major program management and to examine new developments that have important implications for program managers.
- C. Enrollment. The course will be offered to:
 - 1. Those persons from the DOD Components who hold, or are selected to hold:
 - a. A position of program manager; or
 - b. A deputy or equivalent subordinate position to a program manager; or
 - c. The rank/grade of O-6 (military) or GS-15 (civilian) or higher; and
 - (1) A principal supervisory level position in a program office or in a functional office supporting a program office; or
 - (2) A key staff position in a high echelon office responsible for the acquisition of defense systems.
 - 2. Selected persons in equivalent positions from other Federal agencies and the defense industry on a space-available basis.

III. SYSTEMS ACQUISITION MANAGEMENT FOR GENERAL/FLAG OFFICERS

- A. Purpose. The offering -- for selected Generals of the Army and Air Force, Flag Officers of the Navy, and senior civilians in each of the Military Services and the Office of the Secretary of Defense -- is designed to familiarize key individuals with defense systems acquisition management and to acquaint them with the impact and important implications resulting from the actions of interfacing commands/staffs of each of the Military Services and the Department of Defense.
- B. Description. This offering will be provided for senior executives who have not had prior experience with the systems acquisition process of the Department of Defense but whose duties

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interface with or impact upon the acquisition programs of the Army, Navy, or Air Force. The offering (not to exceed one week) is designed to acquaint key individuals with the functions, responsibilities, and problems of DOD program managers and to provide an orientation in defense systems acquisition management.

C. Enrollment. The seminar will be offered to:

1. Those persons from the DOD Components who hold, or are selected to hold:
 - a. The rank of General or Flag Officer; or
 - b. A senior civilian grade (GS-16, GS-17, GS-18 and PL 313)
2. Selected persons in equivalent positions from other Federal agencies on a space-available basis.

IV. SPECIAL SHORT COURSES, SEMINARS, WORKSHOPS AND EXTENSION COURSES

Special short courses, seminars, workshops, on-site courses and extension courses will be provided, when the need to disseminate new concepts, methods and practices in program management and defense systems acquisition management is expressed by a DOD Component(s) and/or recognized by the Commandant and concurred in by the Policy Guidance Council.

ANNEX B
SUMMARY OF SCHEDULED DSMC COURSE OFFERINGS

| <u>COURSE</u> | <u>No. Students</u> | <u>Grade Level</u> | <u>Duration (Weeks)</u> | <u>No. Per Year</u> |
|---|---------------------|---------------------------------|-------------------------|---|
| Program Management Course (PMC) (Annex D) | 120 | 04-05 GS-12 thru GS-14 | 20 | 2 |
| Executive Refresher Course (ERC) (Annex E) | 30 | 06 and above GS-15 and above | 3 | 4 |
| Systems Acquisition Management Seminar for General/Flag Officers (SAM) (Annex F) | 20 | 07 and above GS-16 and above | 1 | 3 |
| Contractor Performance Measurement Course (CPMC) (Annex G) | 30 | 04-06 GS-12 thru GS-15 | 1 | 15 |
| Industry Financial Management Course (IFMC) (Annex H) | | | 2 | 11 |
| For Senior Mgrs | 30 | 06 and above GS-15 and above | | |
| For Intermediate Mgrs | 30 | 04-05 GS-12 thru GS-14 | | |
| Life Cycle Cost Course (LCCC) (Annex I) | 30 | 04-06 GS-12 thru GS-14 | 1 | 7 in FY 78 10 in FY 79 and beyond |
| Multinational Program Management Seminar (MPMS) | 30 | 06 and above GS-15 and above | 1 | 4 |
| Major System Acquisitions Policy Implementation Seminar (MSAS) | 20 | 04 and above GS-12 and above | 1½ & 2 days | 3 |

1978 ACADEMIC CALENDAR
COURSES DIRECTED BY DSMC CHARTER

PROGRAM MANAGEMENT COURSE (PMC)

| <u>COURSE NO.</u> | <u>START</u> | <u>COMPLETE</u> |
|-------------------|--------------|-----------------|
| 78-1 | 23 Jan 78 | 9 Jun 78 |
| 78-2 | 24 Jul 78 | 8 Dec 78 |

EXECUTIVE REFRESHER COURSE
IN PROGRAM MANAGEMENT (ERC)

| <u>COURSE NO.</u> | <u>START</u> | <u>COMPLETE</u> |
|-------------------|--------------|-----------------|
| 78-1 | 21 Feb 78 | 10 Mar 78 |
| 78-2 | 1 May 78 | 19 May 78 |
| 78-3 | 11 Sep 78 | 29 Sep 78 |
| 78-4 | 30 Oct 78 | 17 Nov 78 |

SYSTEMS ACQUISITION MANAGEMENT
FOR GENERAL/FLAG OFFICERS (SAM)

| <u>COURSE NO.</u> | <u>START</u> | <u>COMPLETE</u> |
|-------------------|--------------|-----------------|
| 78-1 | 4 Apr 78 | 7 Apr 78 |
| 78-2 | 20 Jun 78 | 23 Jun 78 |
| 78-3 | 17 Oct 78 | 20 Oct 78 |

1978 ACADEMIC CALENDAR

EXECUTIVE MANAGEMENT (SHORT) COURSES AUTHORIZED BY THE POLICY GUIDANCE COUNCIL

CONTRACTOR PERFORMANCE
MEASUREMENT COURSE (CPMC)
Fort Belvoir, VA

| <u>COURSE NO.</u> | <u>START</u> | <u>COMPLETE</u> |
|-------------------|--------------|-----------------|
| 78-1 | 16 Jan 78 | 20 Jan 78 |
| 78-2 | 21 Feb 78 | 24 Feb 78 |
| 78-3 | 20 Mar 78 | 24 Mar 78 |
| 78-4 | 10 Apr 78 | 14 Apr 78 |
| 78-5 | 5 Jun 78 | 9 Jun 78 |
| 78-6 | 19 Jun 78 | 23 Jun 78 |
| 78-7 | 28 Aug 78 | 1 Sep 78 |
| 78-8 | 18 Sep 78 | 22 Sep 78 |
| 78-9 | 10 Oct 78 | 13 Oct 78 |
| 78-10 | 11 Dec 78 | 15 Dec 78 |

INDUSTRY FINANCIAL
MANAGEMENT COURSE (IFMC)
Fort Belvoir, VA

| <u>COURSE NO.</u> | <u>START</u> | <u>COMPLETE</u> |
|-------------------|--------------|-----------------|
| 78-1(PM) | 16 Jan 78 | 27 Jan 78 |
| 78-2(IM) | 27 Feb 78 | 10 Mar 78 |
| 78-3(IM) | 17 Apr 78 | 28 Apr 78 |
| 78-4(PM) | 15 May 78 | 26 May 78 |
| 78-5(IM) | 5 Jun 78 | 16 Jun 78 |
| 78-6(PM) | 21 Aug 78 | 1 Sep 78 |
| 78-7(IM) | 25 Sep 78 | 6 Oct 78 |
| 78-8(PM) | 6 Nov 78 | 17 Nov 78 |

PM - Denotes Program Managers
IM - Denotes Intermediate Managers

CONTRACTOR PERFORMANCE
MEASUREMENT COURSE (CPMC)
(West Coast)

| | | |
|-------|---------------------------|-----------|
| 78-1W | 8 Feb 78 (Seattle) | 10 Feb 78 |
| 78-2W | 13 Feb 78 (San Diego) | 15 Feb 78 |
| 78-3W | 8 May 78 (Los Angeles) | 10 May 78 |
| 78-4W | 25 Oct 78 (Open) | 27 Oct 78 |
| 78-5W | 28 Nov 78 (Open) | 30 Nov 78 |

INDUSTRY FINANCIAL
MANAGEMENT COURSE (IFMC)
(West Coast)

| | | |
|-------|----------|-----------|
| 78-1W | 6 Feb 78 | 17 Feb 78 |
| 78-2W | 7 Aug 78 | 18 Aug 78 |
| 78-3W | 4 Dec 78 | 15 Dec 78 |

LIFE CYCLE COST COURSE (LCCC)
Fort Belvoir, VA

| | | |
|------|-----------|-----------|
| 78-1 | 13 Mar 78 | 17 Mar 78 |
| 78-2 | 24 Apr 78 | 28 Apr 78 |
| 78-3 | 26 Jun 78 | 30 Jun 78 |
| 78-4 | 7 Aug 78 | 11 Aug 78 |
| 78-5 | 11 Sep 78 | 15 Sep 78 |
| 78-6 | 2 Oct 78 | 6 Oct 78 |
| 78-7 | 30 Oct 78 | 3 Nov 78 |

MAJOR SYSTEM ACQUISITIONS
POLICY IMPLEMENTATION SEMINAR (MSAS)

78-1 through 78-3
This seminar will be given initially
in late January and early February
1978. The exact dates and locations
of the 3 seminars are still to be
determined.

MULTINATIONAL PROGRAM MANAGEMENT
SEMINAR (MPMS)

These seminars will be initiated in
May 1978. The specific dates and
locations are still to be determined.

ANNEX C
SYSTEMS MANAGEMENT LABORATORY CASES

| <u>Case Number</u> | <u>Title</u> | <u>Classroom Hours</u> |
|--------------------|--|------------------------|
| | Introduction | 1.0 |
| | Computer Orientation | 3.0 |
| SX-1 | Missile Systems Development | 4.0 |
| SX-2c | Sensitivity Analysis | 4.0 |
| SX-3c | System Requirements Analysis | 4.0 |
| SX-4 | Acquisition Strategy | 4.0 |
| SX-5 | System Specification | 4.0 |
| SX-6 | Program Initiation Decision | 7.0 |
| SX-7c | Systems Engineering | 4.5 |
| SX-8c | System Support Concept | 4.5 |
| SX-9 | Management Planning | 4.0 |
| SX-10 | RFP Preparation | 4.0 |
| SX-11 | Prototype Demonstration | 4.0 |
| SX-12 | Preparation for Source Selection | 4.0 |
| SX-13 | Contract Negotiations | 5.0 |
| SX-14 | Engineering Development Decision | 4.0 |
| SX-15c | Technical Problem | 5.0 |
| SX-16 | Change Management | 4.0 |
| SX-17c | Preparation for Production/ Production Control Decision | 6.0 |
| SX-18c | Reprogramming and Restructuring | 4.0 |
| SX-19 | Subcontractor Management | 2.0 |
| SX-20 | Corporate Capitalization | 4.0 |
| SX-21 | Second Source/Breakout Decision | 3.0 |
| SX-22c | Foreign Military Sales | 4.0 |
| SX-23 | Field Support Decision & Logistic Support | 5.0 |
| | TOTAL | 102.0 |

NOTE: Exercise suffix "c" indicates computer supported.

ANNEX D
PROGRAM MANAGEMENT COURSE OUTLINE

| <u>SUBJECT AREA</u> | <u>CLASSROOM HOURS</u> |
|--|------------------------|
| Program Management Course Orientation/Overview | 8 |
| <u>CORE PROGRAM</u> | |
| Overview of Systems Acquisition Management (OSAM) | 35 |
| Fundamentals of Program Management (FPM) | 38 |
| Decision and Statistical Analysis (DSA) | 40 |
| Corporate Financial Management (CFM) | 38 |
| Contract Management (CM) | 39 |
| Program Financial Management and Control (FM) | 40 |
| Systems Engineering/Logistics Management (SE/LM) | 33 |
| Systems Production Management (SPM) | 19 |
| Values and Interpersonal Strategies in Management (VISM) | 35 |
| <u>REFRESHER PROGRAM</u> | |
| Writing Communications | 10 |
| Reading Improvement | 9 |
| <u>MANAGEMENT LABORATORY PROGRAM</u> | |
| Systems Management Laboratory | 102 |
| Program Management Decision Briefing (PMDB) | 15 |
| <u>ENRICHMENT PROGRAM</u> | |
| Technology Overview | 12 |
| Distinguished Guest Lecture Series (DGL) | 30 |
| Field Trips | 20 |
| TOTAL | 523 |

ANNEX E
EXECUTIVE REFRESHER COURSE OUTLINE

| <u>SUBJECT AREA</u> | <u>CLASSROOM HOURS</u> |
|--------------------------------------|------------------------|
| Defense Systems Environment | 8.0 |
| Decision Making Process | 2.5 |
| Defense Systems Management | 19.0 |
| Interaction with Higher Headquarters | 8.0 |
| Conceptual Phase | 7.5 |
| Technical Management | 7.0 |
| Procurement Management | 11.0 |
| Program Planning/Control | 5.5 |
| Industry Viewpoint | 5.0 |
| Program Review/Analysis | 16.0 |
| Test and Evaluation | 2.5 |
| Production Management | 2.0 |
| Operations/Support Management | 4.5 |
| Policy Analysis | 7.0 |
| Electives | 16.0 |
| Attendee Interaction | <u>8.5</u> |
| TOTAL | 130.0 |

ANNEX F

SYSTEMS ACQUISITION MANAGEMENT SEMINAR
FOR GENERAL/FLAG OFFICERS OUTLINE

| <u>SUBJECT AREA</u> | <u>CLASSROOM HOURS</u> |
|--|------------------------|
| Introduction and Overview | 2 |
| Changing Environment in Systems Acquisition | 2 |
| DOD Directives, Instructions, and Mgt Procedures | 1 |
| Congress and GAO | 2 |
| System Requirements | 1 |
| Program/System Management | 6 |
| Systems Acquisition Organization and Management | 2 |
| Foreign Military Sales | 1 |
| Procurement, Contracts and Claims | 5 |
| Industry's Look at Systems Acquisition | 1 |
| Corporate Financial Analysis | 1 |
| OSD Acquisition Advisory Group Study | 1 |
| Seminar with Top Management | 1 |
| Luncheon Guest Lecturer Programs | <u>6</u> |
| TOTAL | 32 |

ANNEX G

CONTRACTOR PERFORMANCE MEASUREMENT COURSE OUTLINE

| <u>SUBJECT AREA</u> | <u>CLASSROOM HOURS</u> |
|--|------------------------|
| Introduction and Overview of Performance Measurement | 3.5 |
| Elements of Criteria | 8.5 |
| Financial Management Reporting | 2.5 |
| Use of Data | 2.5 |
| Techniques of Analysis | 5.0 |
| Estimated Cost at Completion | 1.0 |
| Schedule Performance Measurement | 1.0 |
| Guest Lecturers (Industry and Government) | 4.0 |
| Application/Demonstration/Surveillance/Effectiveness | 2.5 |
| TriService Seminar | <u>3.5</u> |
| TOTAL | 34.0 |

ANNEX H

INDUSTRY FINANCIAL MANAGEMENT COURSE OUTLINE

| <u>SECTIONS/ ELEMENTS</u> | | <u>CLASSROOM HOURS</u> |
|-------------------------------|--|----------------------------|
| 1.0 | Overview of Financial and Managerial Accounting | 14 |
| 1.1 | Understanding Financial Statements | |
| 1.2 | Limitations of Accounting Data | |
| 1.3 | Accounting Information for Management Decisionmaking | |
| 2.0 | Financial Management Activities in Administering a Business | 22 |
| 2.1 | Tasks of the Finance Department | |
| 2.2 | Financial Analysis and Working Capital Management | |
| 2.3 | Investment Decisions | |
| 2.4 | Financing Alternatives and Capital Structures | |
| 3.0 | Financial Planning and Control | 14 |
| 3.1 | Management Control in Divisionalized Corporations | |
| 3.2 | Transfer Pricing | |
| 3.3 | Project Management | |
| 4.0 | Specific Defense Industry Financial Management Problems in Various Phases of a Defense System Life Cycle | 30 |
| | TOTAL | 80 |

ANNEX I
LIFE CYCLE COST COURSE OUTLINE

| <u>SUBJECT AREA</u> | <u>CLASSROOM HOURS</u> |
|---|------------------------|
| Introduction to Life Cycle Costing | 3.0 |
| The Data Base | 3.0 |
| Life Cycle Cost Tools, Models and Drivers | 10.0 |
| Design-to-Cost Considerations | 4.0 |
| Logistics Tradeoffs Available | 4.0 |
| Life Cycle Cost Management | 4.0 |
| Life Cycle Cost Case Studies | 12.0 |
| TOTAL | 40.0 |

ACTUAL AND PROJECTED STUDENT ENROLLMENT

| COURSE | FY 77 (ACTUAL) | | | | FY 78 | | | | FY 79 | | | | |
|--------|----------------|------|-----------|-------|-------|------|-----------|-------|-------|------|-----------|-------|-------|
| | ARMY | NAVY | AIR FORCE | OTHER | ARMY | NAVY | AIR FORCE | OTHER | ARMY | NAVY | AIR FORCE | OTHER | TOTAL |
| PMC * | 84 | 72 | 82 | 17 | 255 | 74 | 74 | 74 | 18 | 240 | 80 | 80 | 40 |
| ERC | 32 | 32 | 34 | 24 | 122 | 32 | 32 | 32 | 24 | 120 | 32 | 32 | 24 |
| SAM | 16 | 19 | 16 | 6 | 57 | 18 | 18 | 18 | 6 | 60 | 18 | 18 | 6 |
| IFMC | 78 | 100 | 105 | 28 | 311 | 108 | 108 | 108 | 36 | 360 | 144 | 144 | 48 |
| CPMC | 103 | 155 | 119 | 141 | 518 | 144 | 144 | 144 | 48 | 480 | 162 | 162 | 54 |
| LCCC | | | | | 64 | 64 | 64 | 64 | 48 | 240 | 144 | 144 | 48 |
| MPMS | | | | | 16 | 16 | 16 | 16 | 12 | 60 | 32 | 32 | 24 |
| MSAS** | | | | | | | | | 60 | | | | 60 |
| TOTALS | 313 | 378 | 356 | 216 | 1263 | 456 | 456 | 456 | 192 | 1620 | 618 | 618 | 226 |
| | | | | | | | | | | | | | 2140 |

*For FY 80-83 student enrollment for PMC increases to 400 (120-120-120-40); all other courses maintain FY 79 levels.

**The number of seminar offerings in Major System Acquisitions Policy Implementation are still to be determined. The initial seminar will be offered in the second quarter of FY 78.

